chiefly on account of the prevailing economic depression. The expenditure on Devaswoms and the Miscellaneous Political Expenditure were higher on account of the extraordinary items under those heads, *viz.*, the *Murajapom* and the visit of His Excellency the Viceroy.

For 1106, the budget forecast is for a revenue of Rs. 250·79 lakhs and an expenditure of Rs. 248·77 lakhs yielding a revenue surplus of Rs. 2·02 lakhs. But on account of the prevailing economic depression and as the effect of the anti-drink agitation, Government anticipate a fall in their estimated receipts. As against this a reduction in the budgetted expenditure is also expected. It is now too early, however, to attempt a forecast of the extent of the fluctuations.

Economic Conditions.

7. All the world over, economic depression prevails and Travancore has not escaped its effects. At no time in recent years have the prices of the staple articles of local produce such as paddy, pepper, cocoanut, rubber and tapioca fallen so low. Our economic revival depends to a large extent upon the increased buying capacity of our foreign customers and no action taken by ourselves alone can accelerate the economic revival of the foreign countries which buy our goods. The position is anyway serious and the actual conditions deserve to be studied. Government therefore propose to appoint a committee to investigate and report upon the causes of the present trade depression so far as it affects Travancore and to propose measures that might be adopted to meet the situation. One direction, however, in which Government propose to take immediate action with a view to afford temporary relief is by a liberal grant of loans to agriculturists. Government accordingly propose to sanction an allotment of Rs. 1½ lakhs under Agricultural Loans in addition to the Rs. 2 lakhs allotted for the purpose in the budget for 1106.

Trade.

8. The total value of external trade during the year was Rs. 20·65 crores against Rs. 21·13 crores in 1104. Exports formed 55 per cent. and imports 45 per cent. of the total volume of trade, the corresponding percentages for 1104 being 56 and 44 respectively. The percentage of sea-borne trade to the total volume fell from 32·30 to 31·16, but there was no fall in the number or tonnage of the vessels that called at the Travancore ports. 862 vessels with an aggregate tonnage of 1·28 millions called at the four ports together against 822 vessels with a total tonnage of 1·26 millions in 1104. The number of steamers was 525 against 526 in the previous year, and the number of country craft increased from 296 to 337. At Alleppey alone, 450 steamers with an aggregate tonnage of 1·02 millions called in 1105 against 420 steamers with an aggregate of 0·93 million tons in 1104. Of the above, 110 were

ocean-going steamers against 102 in 1104. Shipping operations have been reported to be satisfactory during the first five months of the current year too.

Cochin Harbour.

9. You are aware that the Travancore Government are one of the three partners in the scheme for the development of the Cochin Harbour, the other two being the Madras Government and the Cochin Government. The work on the improvement of the Harbour has so far progressed that it has now become the regular practice for ocean-going steamers to enter the bar and discharge at moorings inside the backwater. According to the agreement between the three Governments, from the 1st April following the date on which such regular practice has been established, the three partners share equally the net customs revenue collections at the port of Cochin and the other ports in Cochin territory along with the net customs collections from the imports into the Travancore ports down to Quilon in the south. Correspondence is in progress regarding such division as from the 1st April 1930.

Banking Enquiry Committee.

10. The Banking Enquiry Committee, to whose appointment I referred in my address last year, has completed its work and presented its report. Its recommendations cover the entire field of credit facilities and banking organisations, and mainly relate to the need for the organisation of a bureau of statistics, the necessity of a well-considered programme for rural reconstruction, better facilities for marketing, ways and means for industrial development, fragmentation of holdings, starting of land mortgage banks, amendments to the Chitties Regulation, more efficient control of banks, etc. The suggestions embodied in the report are receiving the consideration of Government.

Agriculture.

11. The work of the Agricultural Department during the year and its results are fully set forth in the departmental report for 1105 furnished to you. The chemical and biological investigations are leading to results of practical value; cultural and manurial experiments on the more important crops yielded satisfactory results; and the study of fungus diseases and insect pests has led to the adoption of remedial measures to combat and control these visitations. With the growing paucity of land at the disposal of Government for assignment and cultivation and the increasing pressure of competition in foreign markets from articles produced elsewhere, the vital importance to the country of the ryots adopting the improved methods and using the artificial manures introduced by the department cannot be exaggerated.